

Title of Policy	SMRC Water Pricing and Billing		
Responsible Department	Operations and Infrastructure	Document Register ID	
Policy Owner	Group Manager Water and Wastewater	Review Date	April 2021
Date of Council Meeting	6 December 2018	Resolution Number	553/18
Legislation, Australian Standards, Code of Practice	a) Local Government Act 1993 b) Water Management Act 2000 c) Local Government (General) Regulation 2005 d) Best Practice Management of Water Supply and Sewerage Guidelines e) Water Supply, Sewerage and Trade Waste Pricing Guidelines Note: The most recent edition of the above documents shall apply to the policy		
Aim	To provide appropriate pricing signals that enable customers to balance the benefits and costs of using the water supply services and promote efficient use of resources.		

1 Purpose

To implement Best-Practice water pricing tariff that is a cost-reflective two part tariff and involves pay-for-use pricing which complies with NSW Best Practice Management of Water Supply and Sewerage Framework encompassing IPART's 1996 Pricing Principles for Local Water Utilities, the COAG Strategic Framework for Water Reform and National Competition Policy.

To encourage all customers to use water efficiently and conserve water thereby resulting in reduced water bills and reduced impact on the environment.

To introduce appropriate pricing that reflects the cost of providing the service and to raise the annual income required for the long term financial sustainability of the water supply and sewerage business including investments in new and replacement infrastructure.

2 Policy Details

2.1 Water Pricing and Tariffs

Water pricing shall comprise of a two part tariff that meets Best Practice guidelines. The two part tariff consists of the following charges:

- a) **Annual Access Charge** and
- b) **Usage Charge** - A single step Charge per kL for annual water consumption.
- c) **The Access and Usage charge** shall be as stated in the annual Revenue Policy or the Annual Fees and Charges

In accordance with the Best Practice Pricing requirements, Residential and Non-Residential tariffs will be set as described in detail below:

2.1.1 Residential Customer's Water Tariff

Access Charge - The Annual Access Charge for residential customers will be a flat annual charge as set in the Revenue Policy for that particular year.

Usage Charge - The usage charge for residential customers shall be a single step charge. The charge per kL will be the charge as set in the Annual Revenue Policy or the Fees and Charges for that particular year.

2.1.2 Non-Residential Customer's Water Tariff

Access Charge - The Access Charge for non-residential customers will be based on the diameter of connection. In accordance with Best-Practice Pricing Guidelines, the Access Charge for non-residential properties shall be proportional to the square of the size of the water supply service connection and meter size. The annual charge will be the charge as set in the Annual Revenue Policy or the Fees and Charges for that particular year. The charge is determined by the following formula:

$$AC = AC20 \times D^2 / 400$$

Where:

AC = Customer's Annual Access Charge (\$)

AC20 = Annual Access Charge for a 20mm diameter water supply service connection

D = Diameter of customer's water supply service connection (mm)

Usage Charge - The usage charge for non-residential customers shall be a single step charge. The charge per kL will be the charge as set in the Revenue Policy or the Fees and Charges for that particular year.

2.1.3 Non-Residential Property – Fire Meters

- (a) No access charges shall apply to water meter connections required as fire meters for non-residential properties.
- (b) These meters must be dedicated for firefighting purposes only and should not have any consumption. If any consumption is noted the customer shall be informed that access and usage charges will apply if it is used for any other purposes.

2.2 Residential and non-residential strata, flats, dual occupancies and vacant properties.

Each Strata Title, Flat, Dual occupancy and vacant property shall be treated as a single assessment with a 20mm service connection and will be charged Access Charges.

Pursuant to S552 of the Local Government Act, all properties (including vacant properties) located within 225m of a water supply service shall be charged Access Charges.

The annual charge that will apply will be the charge as set in the annual Revenue Policy or the Fees and Charges in the Operational Plan for that particular year

2.3 Water Accounts / Water Billing

Water meters are read tri-annually around October, February and June of the financial year. Accounts are issued for the usage between readings. Each account will be calculated on the number of kilolitres (kL) passing through the relevant property's water meter. The charge per kL (1000 litres) is subject to annual review and is set in the Annual Revenue Policy or the Fees and Charges.

The Access Charge will be proportionally charged over the 3 billing periods. The Access charge is also subject to annual review and is set in the Annual Revenue Policy or the Annual Fees and Charges.

2.4 Water Accounts Applicable to Strata Properties / Rural Bulk Meters

The charging of strata properties and rural bulk meters shall be as follows:

- a) Reading of Main Meter/Parent meter only – When a group of strata units, flats, or dual occupancies are served by one parent water meter, Council will read the main parent meter only and all water that passes through this meter shall be billed to the Body Corporate / Owner
- b) It is the Body Corporate's responsibility to apportion the usage charges between the individual strata
- c) The Access Charges shall be billed to each strata owner individually.

2.5 Payments of Accounts and Interest Charges

Accounts must be paid on or before the due date or interest shall apply on overdue accounts as per Section 566 of the Local Government Act 1993. Recovery action in relation to overdue/outstanding accounts will be forwarded to Debt Recovery

2.6 Hardship Relief

Requests for assistance by ratepayers citing hardship shall be made in writing to the Council.

2.7 Pensioner Rebates / Donations

Other than the subsidy payable by the Office of Local Government, no other financial assistance shall be given to pensioners.

Water charges exemptions or reduction of charges shall not apply and any requests for a reduction of charges (eg. Patients on dialysis machines), shall be made to Council in writing and treated as a donation which will be reviewed annually.

2.8 Broken Meters / Non Recording meters

In the event of a water meter not operating or being broken at the time of reading, the charge for consumption will be calculated as follows:

- a) On the average pro-rata consumption for the previous three years for the relevant billing period eg. October, June or February readings.

2.9 Water loss due to circumstances beyond owners control

In situations where excessive water consumption has been incurred due to circumstances beyond the owner's control, such as broken pipes etc, Council will consider adjusting accounts on the following basis:

- a) The applicant lodges a written request detailing the circumstances
- b) Evidence is provided in writing from a registered plumber that the problem has been or will be rectified
- c) Such adjustments will be on a "once only" basis**

Authority to be delegated to the General Manager to authorise such adjustments

The abovementioned refund will be applicable to **residential customers only**.

NOTE: Under S637 of the Local Government Act, a person who willfully or negligently wastes or misuses water from a public water supply is guilty of an offence and may be fined unless he/she is able to prove that the waste was not within his/her knowledge.

2.10 Water meter tests

Consumers concerned that they have been charged for excessive consumption will be encouraged to test for leaks before requesting a water meter test. Such a water meter test is carried out on payment of the prescribed fee and is fully refundable if a meter is found to register at a level of inaccuracy of 3% or more. The water account will be adjusted accordingly. The prescribed fee is in Council's Fees and Charges

2.11 Downsizing of water connections and replacement of meters

To avoid high cost of annual access charges, customers may choose to downsize the water connection size, if there is no hydraulic requirement for a larger diameter connection. Application for downsizing shall be made to Council in writing.

The application must include a certification from a hydraulic engineer that the downsizing will not affect the hydraulic capacity required by the customer including any fire- fighting capabilities if required for the property. Council will proceed with the changes to the connection on receipt of payment of the prescribed fee.

2.12 Additional water meter readings

Additional Meter Readings may be carried out as follows:

- a) Application for meter readings upon sale of property shall be made to Council on Councils application form for the issuance of a settlement payment. (Note: verification of the existing meter is required prior to payment of the fees. A fee is charged in accordance with Council's Fees and Charges.)
- b) Any extraordinary meter readings for any other purpose will also incur the same fee even if a final bill is not required.

2.13 Education

Whenever suitable, information shall accompany water accounts that will clearly explain Council's water charging policy and provide suggestions to assist people to conserve water. This information will also be available on Councils website.

Variation

Council reserves the right to review, vary or revoke this policy and should be reviewed periodically to ensure it is relevant and appropriate.

3 Version History

Date Published	Version	Detail reason for issue or amendments	Author/document Owner
07/06/2018	1	Adopted version	GBA
04/10/2018	1	Draft Proposed Revision	GBA
	2		